

MEETING OF
THE DELAWARE AGRICULTURAL LANDS PRESERVATION FOUNDATION

A meeting of the Delaware Agricultural Lands Preservation Foundation was held at the Delaware Department of Agriculture, 2320 S. DuPont Hwy. Dover, Delaware, March 21, 2012, with the following members in attendance:

Robert F. Garey, Chairman	Ed Kee, Secretary of Agriculture
William Vanderwende, Vice Chairman	Lisa Embert representing Chip Flowers, Jr., State Treasurer
William "Chip" Narvel, Jr., Secretary	Mike Valenti representing Steve Ditmer, Forestry Council
Kevin Coyle representing Collin O'Mara, Secretary of DNREC	

Absent: Robert Emerson, Theodore P. Bobola, Jr., and L. Allen Messick, Jr.

The following staff members were in attendance: Austin Short, Deputy Secretary of Agriculture, and Chief of Planning; Howard Mesick, Scott Blaier, Cathy Mesick, Milton Melendez, Kathi Spangler, and Robin West.

Others in attendance: F. Michael Parkowski, Esq., Mrs. Ellen Magee, and Mr. Daniel Shortridge (Chief of Community Relations for the Delaware Department of Agriculture).

Chairman Garey opened the meeting at 8:31 a.m.

Introductions were made to the Board by Austin Short introducing the Department's new Chief of Community Relations, Mr. Daniel Shortridge.

I. Current Situation Report:

Robin West informed the Board that we have a total of 1,106 farms in preservation districts totaling 156,693 acres, with a total of 692 farms under agricultural easements totaling 105,558 acres at a cost of \$188,020,537. For PDR 17, there are a total of 30 farms, comprising 1,438 acres, with a value of \$8,820,540. For the Forestland Preservation Program there are 37 Forestland Preservation Areas comprising 2,678 acres. For the Forestland Preservation Area Easements, there are a total of 9 properties, comprising 872 acres, with a value of \$1,450,804. For the Young Farmers Program there are a total of 10 Young Farmers program loans going through the settlement process, with an easement value of \$3,878,524. Twenty-eight prequalification applications have been received so far with only one being unapproved.

III. Monitoring Report:

Milton Melendez informed the Board that the entire 263 federal parcels that were to be monitored in 2012 have been completed. The 664 state parcels still have to be visited to complete the monitoring for this year.

IV. Districts – Eligibility:

1. A D & D Farms, LLC District, ID#S-11-12-263. After discussion, **Ed Kee moved to accept for eligibility, the A D & D Farms, LLC District, seconded by Kevin Coyle. Motion unanimously approved.**
2. Homeplace Farm, LLC District, ID#S-11-12-264. After discussion, **Chip Narvel moved to accept for eligibility, the Homeplace Farm, LLC District, seconded by William Vanderwende. Motion unanimously approved.**

V. Expansion – Eligibility & Final Approval (Contingent Sale):

1. Hummingbird Meadows Expansion of the Housemans Tract District, ID#S-12-02-232B. After discussion, **William Vanderwende. moved to accept for eligibility/final approval the Hummingbird Meadows Expansion of the Housemans Tract District, contingent upon sale, seconded by Chip Narvel. Motion unanimously approved.**

VI. Expansions – Eligibility & Final Approval:

1. Papp Expansion of the Rust District, ID#S-11-12-034Q. After discussion, **Kevin Coyle moved to accept for eligibility/final approval the Papp Expansion of the Rust District, seconded by Ed Kee. Motion unanimously approved.**
2. Home Farm Expansion of the William G. Passwaters District, ID#S-11-12-170E. After discussion, **Ed Kee moved to accept for eligibility/final approval the Home Farm Expansion of the William G. Passwaters District, seconded by Chip Narvel. Motion unanimously approved.**
3. Carol Ann Santich Expansion of the Elmer-Wink Vanderwende District, ID#K-11-12-149K. After discussion, **William Vanderwende moved to accept for eligibility/final approval the Carol Ann Santich Expansion of the Elmer-Wink Vanderwende District, seconded by Kevin Coyle. Motion unanimously approved.**

VII. Secretary of Agriculture's Veto – Secretary of Agriculture Ed Kee waived the right of veto for the above District and Expansions.

VIII. Public Comments – There were no public comments.

IX. Minutes:

Chairman Garey asked if there were any comments or changes to the February 15, 2012, minutes. Hearing no changes, the Chairman asked for a motion to approve the minutes. **Chip Narvel moved to approve the February minutes, seconded by Kevin Coyle. Motion unanimously approved.**

X. Financial Highlights:

Howard Mesick presented the Financial Statement for the month of February 2012, informing the Foundation Board that we had, as of February 29, 2012, \$277,224.76 in the Foundation's interest bearing State of Delaware account. We received \$45.59 interest income, \$240.28 roll back taxes, and \$245.00 license plate income. Expenditures for the month of February totaled \$38,202.19. After discussion, **Lisa Embert moved to accept the February financial statement as presented, seconded by Chip Narvel. Motion unanimously approved.**

Austin Short informed the Board about the Federal audit. There were four minor issues with the Federal audit which covered the State fiscal year, July 1, 2010 to June 30, 2011:

1. The auditors identified eight easements where Aglands staff mistakenly requested too much money from the Federal government for reimbursement. The error resulted from the fact that staff requested the Federal funds that were originally anticipated for these easements; however, the subsequent Federal appraisal resulted in lesser amounts for each of these properties. USDA NRCS identified the error and the correct amounts were provided (the Foundation did not receive any extra funds). Aglands staff has now initiated a process where multiple individuals review the request before it is submitted to USDA NRCS.
2. The supporting information that Foundation staff provide to USDA NRCS for the Federal reimbursement requests did not include all the necessary information, specifically the landowners' Social Security or Taxpayer Identification numbers. Staff is now verifying this information is included.
3. Some of the quarterly financial reports submitted to USDA NRCE contained mistakes concerning the amount of cash available, cash disbursements, and Federal fund balances. Staff actually corrected these reports, in cooperation with USDA NRCS, in the first quarter of FY12 (prior to the audit);

however, the audit only viewed the work from July 1, 2010 to June 30, 2011. Once again, we have corrected this issue by having multiple individuals review the documents prior to submitting to USDA

4. The final issue was only a recommendation from the auditors, specifically to ensure that Foundation staff maintains a complete list of the Federal properties for monitoring purposes. Staff have such a list and will also inspect any Federal easements that are purchased after the annual monitoring visits are completed (i.e., currently Aglands staff conduct Federal monitoring visits in February and March, if any Federal easements are settled after march, then those properties will be visited during that calendar year and will then be incorporated into our annual February/March visits the following year).

XI. Executive Session – Michael Parkowski indicated there was no a need for an executive session.

XII. Other Business:

1. Wilson Farm

Mrs. Ellen Magee, representing the Magee family, presented a proposal to the Foundation for approval to have a corn maze and pivot irrigation on the Wilson farm. This request also was for an extension of their lease on the Wilson farm to cover the cost of the pivot irrigation. The requested extension was for an additional ten years. The current lease will end in February 2015, and extension for an additional ten years would mean the lease would end in 2025. Mr. Michael Parkowski reviewed the lease on the Wilson Farm and stated that it could not be extended beyond 2020. After the year 2020 an opportunity for all interested parties would be opened for a new lease agreement. It was suggested that Mrs. Magee present another proposal at the next Foundation meeting based upon a five year extension of the current lease. Discussion followed.

Mrs. Magee was agreeable to present another proposal for an extension of the lease for five years instead of ten. Mrs. Magee needed to know if the family should apply to Sussex County for the permit for the corn maze and informed the Board that the maze would only be in the fall for six to eight weeks. It was agreed that Mrs. Magee should apply to the County for the conditional use for the corn maze on the property. Austin Short is awaiting a completed application for conditional use approval which will be reviewed.

After further discussion, **Ed Kee moved that the conditional use should be applied for with the cooperation of the staff with Sussex County, subject to legal review, and the Board would hear the proposal for the extension of the lease on the Wilson farm for an additional five years, seconded by Chip Narvel, Jr. Motion unanimously approved.**

Mr. Parkowski asked that a resolution be prepared that the staff is to cooperate with Sussex County, subject to legal review.

XIII. Adjournment

As there was no further business to come before the Foundation the meeting adjourned at 9:25 a.m. The next meeting of the Foundation will be held on April 18, 2012 at the Delaware Department of Agriculture beginning at 8:30 a.m.

Respectfully submitted,

Robert F. Garey
Chairman